

International Travel, Passenger Fares, and Other Transportation in the U.S. Balance of Payments: 1971

THE net U.S. payment to foreigners for international travel, passenger fare, and other transportation transactions totaled \$2.4 billion in 1971, about \$370 million or 17 percent higher than in 1970. Total U.S. payments were \$8.6 billion, 7 percent higher than in 1970,

while receipts totaled about \$6.2 billion, up less than 4 percent. The net U.S. payment for international travel and transocean passenger fares accounted for the entire deficit, while other transportation transactions showed a nominal surplus.

The 1971 increase in U.S. travelers' spending was substantially smaller than the 1970 increase, reflecting sluggish business conditions in the United States, generally higher overseas air fares, and the appreciation of a number of currencies against the dollar. The growth of receipts from foreign visitors to the United States also slowed, possibly reflecting business uncertainties abroad.

This article reviews 1971 developments in the travel, passenger fare, and other transportation accounts in the

U.S. balance of international payments. Transocean passenger fares are discussed as part of the review of total spending by U.S. residents traveling abroad and of spending by foreign visitors to the United States. (The article includes data on passenger fares paid by U.S. travelers to U.S. transocean carriers, which do not enter the balance of payments accounts but do represent an important part of total spending by U.S. travelers; see table 1, memorandum items.) U.S. carriers' receipts of passenger fares from foreigners for travel between foreign countries, which do enter into the balance of payments, are reported in this article. Also reviewed are freight payments to U.S. and foreign air and sea carriers and the carriers' port expenditures.

CHART 5

U.S. Payments and Receipts for Travel and Transocean Passenger Fares

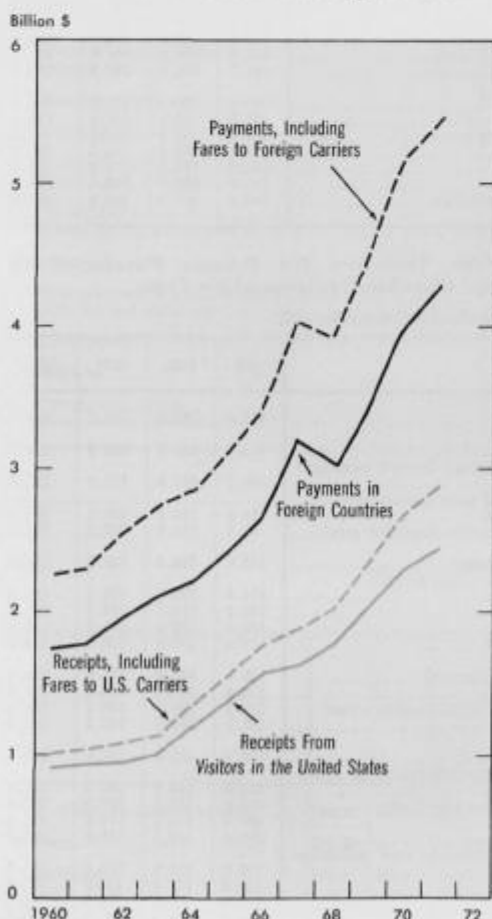


Table 1.—International Travel, Passenger Fares, and Other Transportation Transactions
[Millions of dollars]

	1967 *	1968 *	1969 *	1970 *	1971 *
1. Total travel, passenger fare and other transportation payments.....	6,201	6,288	6,954	8,007	8,597
2. Travel: Payments by U.S. visitors in foreign countries (line 18).....	3,207	3,030	3,407	3,973	4,294
3. Passenger fares: U.S. payments to foreign carriers (line 19).....	830	885	1,080	1,215	1,264
4. Other transportation (line 20).....	2,164	2,373	2,467	2,819	3,039
5. Freight payments to foreign carriers on U.S. imports.....	1,222	1,348	1,394	1,536	1,725
6. Port expenditures abroad by U.S. carriers.....	508	651	671	809	868
7. Other payments.....	344	374	402	474	446
8. Total travel, passenger fare and other transportation receipts.....	4,438	4,723	5,170	5,946	6,165
9. Travel: Receipts from foreign visitors in the U.S. (line 4).....	1,646	1,775	2,058	2,319	2,457
10. Passenger fares: Foreign passenger fares payments to U.S. carriers (line 5).....	371	411	450	544	615
11. Other transportation (line 6).....	2,421	2,537	2,662	3,083	3,063
12. Freight receipts of U.S. carriers.....	800	817	787	1,000	947
13. Port expenditures in the U.S. by foreign carriers.....	1,403	1,581	1,728	1,902	1,940
14. Other receipts.....	128	139	147	181	206
15. Net travel, passenger fare and other transportation payments.....	1,763	1,565	1,784	2,061	2,432
Memorandum:					
16. Travel payments of U.S. visitors in foreign countries (line 18).....	3,207	3,030	3,407	3,973	4,294
17. Plus: U.S. passenger fare payments to foreign carriers.....	830	885	1,080	1,215	1,264
18. Plus: U.S. passenger fare payments to U.S. carriers.....	715	815	895	985	1,080
19. Equals: Total expenses of U.S. visitors.....	4,752	4,730	5,382	6,173	6,638
Memorandum:					
20. Travel receipts from foreign visitors in the U.S. (line 4).....	1,646	1,775	2,058	2,319	2,457
21. Plus: Foreign passenger fares to and from the U.S. paid to U.S. carriers.....	235	260	303	377	425
22. Equals: Total U.S. receipts from foreign visitors.....	1,881	2,035	2,361	2,696	2,882

NOTE.—References in parentheses to lines 4, 5, 6, 18, 19, and 20 indicate where these estimates may be found in Table 2 & 3 of the regular balance of payments presentations.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

U.S. Expenditures for Travel Abroad

Expenditures of U.S. residents for travel to other countries reached a record \$6.3 billion last year, 7.5 percent more than in 1970. Foreign countries received \$5.6 billion of the total, including nearly \$1.3 billion in passenger fares paid to foreign sea and air carriers for transoceanic transportation and \$4.3 billion in outlays in foreign countries for food, lodging, transportation, and other items. (table 1, lines 2 and 3). U.S.

Table 2.—Travel Payments of U.S. Visitors in Foreign Countries, by Area

	(Millions of dollars)				
	1967	1968	1969	1970	1971
Total travel payments.....	2,507	2,838	2,467	3,038	4,294
Canada.....	1,070	820	900	1,040	1,127
Mexico.....	602	638	692	740	822
Persons staying					
Mexico border only.....	378	360	408	485	449
Overseas areas.....	1,535	1,572	1,515	2,154	2,885
Europe and Mediter-					
ranean area.....	1,018	908	1,160	1,425	1,540
Western Europe.....	644	926	1,075	1,340	1,373
United Kingdom.....	100	108	220	203	324
France.....	110	92	141	180	109
Italy.....	148	141	140	172	173
Switzerland.....	67	74	63	106	94
Germany.....	104	111	114	148	128
Austria.....	41	40	48	54	63
Denmark.....	32	30	32	30	38
Sweden.....	22	18	20	24	22
Norway.....	19	28	28	31	24
Netherlands.....	35	48	41	44	44
Belgium-Luxembourg.....	17	16	18	22	22
Spain.....	46	60	80	55	105
Portugal.....	21	20	25	20	31
Ireland.....	28	32	38	42	58
Greece.....	25	28	37	40	68
Other Western					
Europe.....	8	6	18	19	24
Other Europe and					
Mediterranean					
area.....	76	68	85	115	167
Israel.....	48	30	44	63	119
Other.....	41	32	41	63	67
West Indies and					
Central America.....	296	325	375	300	405
Bermuda.....	46	50	55	63	62
Bahamas.....	28	106	132	127	120
Jamaica.....	68	78	88	95	90
Other British West					
Indies.....	80	88	42	44	60
Netherlands West					
Indies.....	14	10	19	18	28
Other West Indies					
and Central					
America.....	53	35	44	48	62
South America.....	70	97	92	90	92
Other overseas areas.....	162	167	168	270	205
Japan.....	58	60	70	97	86
Hong Kong.....	28	26	30	53	50
Australia.....					
New Zealand.....	18	20	27	34	47
Other.....	48	61	58	65	110

Note.—Excludes travel by military personnel and other Government employees stationed abroad and by their dependents and U.S. citizens residing abroad; includes shore expenditures of cruise travelers, but not their transportation fares or other passenger fares.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

travelers also paid more than \$1 billion to U.S. carriers for transoceanic transportation (table 1, line 18), but this amount does not enter into the U.S. balance of payments.

The growth of U.S. travel outlays abroad and of transoceanic passenger fares paid to foreign carriers both slowed in 1971. The two expenditure categories combined showed an increase of 7 percent last year, about half the rate of increase in the two preceding years. Transoceanic passenger fares paid to foreigners increased only 4 percent in 1971 compared to 12½ percent in 1970, and U.S. travelers' outlays in foreign countries increased 8 percent compared with 16½ percent in 1970. Outlays in overseas areas rose 7 percent last year compared with 20 percent in 1970 (table 2), and the growth of outlays in Canada also slowed—to 7½ percent in 1971 from 16½ percent in 1970. (The large 1970 increase in Canada's receipts resulted partly from an upward revaluation of the Canadian dollar; in 1971, the Canadian-U.S. exchange rate was essentially stable.) In contrast to the pattern in Canada and overseas, U.S. travelers' outlays in Mexico increased 12½ percent in 1971, compared with a 7 percent gain in 1970.

Most overseas travelers plan their trips well ahead, and thus the uncertainty of the U.S. economic outlook in late 1970 may have been a factor in the relatively sluggish demand for overseas travel during the first half of 1971. In addition, air passenger fares across the North Atlantic were raised beginning in April 1971, and the currencies of Germany, Switzerland, the Netherlands, and Austria were effectively revalued in May. When the peak season air fares, substantially above those of 1970, became effective in June, they appear to have met with some traveler resistance. However, in June the carriers also introduced sharply reduced "youth" and "student" fares across the Atlantic—a move that reflected the carriers' concern over the travel slowdown—and these fares probably contributed to the moderate strengthening of travel demand that developed during the remainder of the year despite widespread appreciations of leading foreign

currencies against the dollar after August 15.

Over 98 percent of the 5.7 million overseas travelers in 1971 traveled by air (table 4). Fewer than 100,000 traveled by ship, compared with 120,000 in 1970. In addition, some 630,000 U.S. residents took sea cruises last year,

Table 3.—Number of U.S. Travelers and Their Average Travel Payments in Europe and the Mediterranean

	Number of travelers (thousands)	Average payment (dollars)
Europe and Mediterranean:		
1971.....	3,262	461
1970.....	2,998	494
Western Europe:		
1971.....	2,030	453
1970.....	2,783	470
United Kingdom:		
1971.....	1,358	229
1970.....	1,805	215
France:		
1971.....	975	174
1970.....	980	161
Italy:		
1971.....	317	216
1970.....	378	190
Switzerland:		
1971.....	690	142
1970.....	794	135
Germany:		
1971.....	805	157
1970.....	922	160
Austria:		
1971.....	488	128
1970.....	538	101
Denmark:		
1971.....	379	187
1970.....	317	124
Sweden:		
1971.....	170	128
1970.....	177	135
Norway:		
1971.....	148	178
1970.....	160	106
Belgium-Luxembourg:		
1971.....	310	71
1970.....	292	74
Netherlands:		
1971.....	461	96
1970.....	520	82
Spain:		
1971.....	481	219
1970.....	439	104
Portugal:		
1971.....	208	150
1970.....	226	130
Ireland:		
1971.....	222	223
1970.....	230	183
Greece:		
1971.....	260	244
1970.....	303	193
Israel:		
1971.....	380	385
1970.....	196	315

1. Data for Israel are included in Europe and Mediterranean totals but not in Western Europe totals.

Note.—For coverage, see table 2; excludes all passenger fares and shore expenditures of cruise travelers; excludes transoceanic transportation.

Source: U.S. Department of Commerce, Bureau of Economic Analysis; based on data of Department of Justice, Immigration and Naturalization Service.

an increase of 72,000 over 1970. Despite the increase in cruise travel, foreign sea carriers' earnings from U.S. passengers declined about 4 percent to \$236 million (table 8), as a 17 percent decline in earnings from regular passengers service more than offset an increase in cruise earnings.

Travel to Europe and the Mediterranean

Changes in air passenger fares (and in the conditions attached to special fares), combined with the exchange rate changes, probably had an appreciable impact on travel patterns in 1971. The introduction of the "youth" fares, under which no stopovers were permitted, meant that travel after arrival in Europe was at regular fares. Moreover, the depreciation of the dollar made these regular fares more expensive in dollar terms than they had been. These factors worked to limit the number of countries visited by the average American traveler. Another impact of the exchange rate changes can be seen in the fact that a decline in the number of American visitors was most notable in those countries that revalued or floated their currencies as of May 1971. In such countries, the higher dollar costs resulting from the depreciation of the dollar were of course in effect all summer.

The total number of American visitors to Western Europe reached 3 million last year, a 9 percent increase from

1970 (table 3). The average daily expenditure per visitor in Western Europe was little changed, but the average visit shortened; thus, total expenditure in Western Europe averaged \$453 per visitor last year, down from \$470 in 1970 (table 3). Aggregate spending by Americans in the area, at nearly \$1.4 billion, was up only 5 percent from 1970—much less than the 9 percent increase in the number of American visitors.

Although the total number of U.S. visitors to Western Europe was up from 1970, most individual countries in the area had fewer American visitors than in 1970 (table 3). This reflected the fact that the average number of countries visited by the American traveler, after remaining stable for a number of years, dropped sharply in 1971. Insofar as countries' earnings from Americans are concerned, the decline in the number of visitors was in most cases at least partly offset by an increase in the average expenditure by the Americans who did visit (table 3).

Once again the most popular country for U.S. travelers in Europe was the United Kingdom, where more than 1.3 million U.S. visitors spent \$324 million. The number of U.S. visitors was slightly below the 1970 record but average spending was higher and the United Kingdom's dollar receipts increased more than 10 percent. France earned 6 percent more than in 1970 and Italy 3 percent more; the number of American visitors declined in both countries but average outlays rose. Portugal and Ireland also had small increases in receipts while in most other European

countries receipts were lower or unchanged.

Only Belgium, Greece, and Spain, among European countries, received more U.S. travelers in 1971 than in 1970. In Belgium, average expenditure per visitor declined and total receipts from Americans were unchanged. In Greece and Spain, countries whose dollar exchange rates changed little if at all, average expenditure by U.S. visitors increased from 1970. Total U.S. spending in Greece rose 58 percent to \$63 million; in Spain, the total increased 24 percent to a record \$105 million.

In Israel, where the value of the dollar actually increased during 1971, the number of U.S. visitors increased more than 50 percent to 300,000. (Israel is included in data totals for the Europe and Mediterranean area but not in Western Europe.) Nearly half of the U.S. visitors to Israel visited no other country. The "no stop-over" rule on youth fares may have been an important factor limiting itineraries. Average expenditure in Israel increased substantially and total U.S. travel outlays there were \$110 million, nearly double the 1970 amount.

Table 4.—U.S. Travelers to Overseas Countries by Means of Transportation and by Area.

(Thousands of travelers)					
	1967	1968	1969	1970	1971
Total.....	3,428	3,585	4,423	5,280	5,447
Sea.....	167	147	151	120	95
Air.....	3,261	3,438	4,272	5,160	5,352
Europe and Mediterranean.....	1,960	1,837	2,369	2,808	3,202
Western Europe.....	n.a.	1,880	2,283	2,788	3,080
West Indies and Central America.....	1,220	1,401	1,700	1,603	1,786
South America.....	175	222	245	240	254
Other.....	280	284	315	430	474

N.a. Not available.

NOTE.—For coverage, see table 2; excludes cruise travelers, who numbered about 250,000 in 1967, 320,000 in 1968, 420,000 in 1969, 557,000 in 1970, and 626,000 in 1971.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, based on data of U.S. Department of Justice, Immigration and Naturalization Service.

Table 5.—Average Length of Stay of U.S. Travelers in Selected Regions

(Days)					
Region	1967	1968	1969	1970	1971
Europe and Mediterranean.....	33	30	29	27	26
Caribbean area.....	n.a.	n.a.	n.a.	11	10
Bermuda.....	n.a.	n.a.	n.a.	7	7
Bahama.....	n.a.	n.a.	n.a.	5	5
South America.....	n.a.	n.a.	n.a.	22	20
Far East and other areas.....	n.a.	n.a.	n.a.	28	27

N.a. Not available.

NOTE.—For coverage, see table 2; excludes cruise travelers. SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 6.—U.S. Receipts From Foreign Visitors in the United States

(Millions of dollars)					
	1967	1968	1969	1970	1971
Total U.S. travel receipts.....	1,445	1,776	2,058	2,319	2,457
Canada.....	575	600	815	885	927
Mexico.....	457	493	580	645	658
Total overseas countries.....	413	683	713	890	966
Western Europe.....	227	226	264	318	357
United Kingdom.....	48	43	43	61	67
France.....	n.a.	30	34	38	45
Germany.....	n.a.	44	55	67	76
Italy.....	n.a.	23	24	29	33
Netherlands.....	n.a.	12	14	19	22
Sweden.....	n.a.	13	10	14	15
Switzerland.....	n.a.	14	15	16	16
Other.....	n.a.	60	67	84	89
West Indies, Central and South America.....	263	292	276	334	335
Other overseas countries.....	124	144	173	237	278
Japan.....	42	51	67	101	124

N.a. Not available.

NOTE.—Includes expenditures of travelers for business and pleasure, foreigners in transit through the United States, and students; excludes expenditures by foreign government personnel and foreign businessmen employed in the United States (who are U.S. residents for balance of payments purposes). Transoceanic passenger fares are also included.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

Trip expenses

U.S. travelers to Europe and the Mediterranean spent an average of about \$850 per trip in 1971, about \$20 less than in 1970. Of the total trip expenditure, passenger fares averaged about \$370 in 1971, \$10 below 1970; this figure refers to all transocean passenger fares whether paid to U.S. or foreign carriers. While regular North Atlantic air passenger rates were higher than in 1970, extensive use of youth fares at substantially lower rates served to reduce the average fare paid. The average outlay in European and Mediterranean countries was about \$480, \$10 lower than in 1970 (table 3). Daily outlays of travelers to the Europe and Mediterranean area averaged about \$18.50, slightly more than in 1970, but the duration of stay was reduced.

Western Hemisphere and Pacific

U.S. travelers' spending in the West Indies and Central America increased only 4½ percent last year, about the same as the 1970 advance. Total spending in the area reached \$400 million. The number of travelers also increased 4½ percent, to 1.7 million. Spending in the Bahamas declined for the second consecutive year; the total there was about \$120 million, down from \$127

Table 7.—Foreign Visitors to the United States From Oversea Countries, by Area and Type of Visa.

(Thousands of travelers)					
	Total	Business	Pleasure	Transit	Student
Overseas countries, total:					
1971.....	2,490	330	1,893	200	77
1970.....	2,288	306	1,706	202	74
Europe:					
1971.....	1,113	182	832	80	10
1970.....	984	167	726	80	11
West Indies and Central America:					
1971.....	428	20	366	27	15
1970.....	484	17	420	30	17
South America:					
1971.....	311	21	251	27	12
1970.....	318	19	255	32	12
Other Overseas areas:					
1971.....	638	97	444	57	40
1970.....	592	103	395	60	34

NOTE.—Excludes visitors from Canada and Mexico: excludes foreign government personnel and foreign businessmen employed in the United States. Data are not adjusted for multiple entries on a single trip.

Source: U.S. Department of Justice, Immigration and Naturalization Service.

million in 1970 and a record \$132 million in 1969. Spending in Jamaica declined to \$90 million in 1971 from \$95 million in 1970. Bermuda's receipts were about \$62 million, little changed from 1970. Other West Indies areas registered strong increases, however, perhaps reflecting a tendency of Americans to seek new vacation areas where prices are relatively low. The number of travelers to South America and their spending showed no significant changes from 1970.

Travel to "other areas", primarily the Pacific and Far East, continued to increase in 1971 but the advance was nowhere near as sharp as in 1970 when Japan's Expo provided an important stimulus. There were about 475,000 U.S. visitors to "other areas" in 1971, up about 5½ percent from 1970; they spent about \$300 million, up about 5 percent. Spending declined in Japan and Hong Kong, the chief tourist destinations in the "other areas". The reduction of U.S. forces in Viet Nam may have served to limit travel to Pacific locations, particularly Japan and Hong Kong. Although spending by military personnel and their dependents is excluded from the travel payment estimates, spending by friends or relatives who travel to rest or recreation areas to meet them is counted.

Australia and New Zealand, not strongly affected by Viet Nam developments, increased their combined receipts from American visitors last year by almost 40 percent, to \$47 million, as both the number of visitors and their average expenditure increased.

Foreign Visitors to the United States

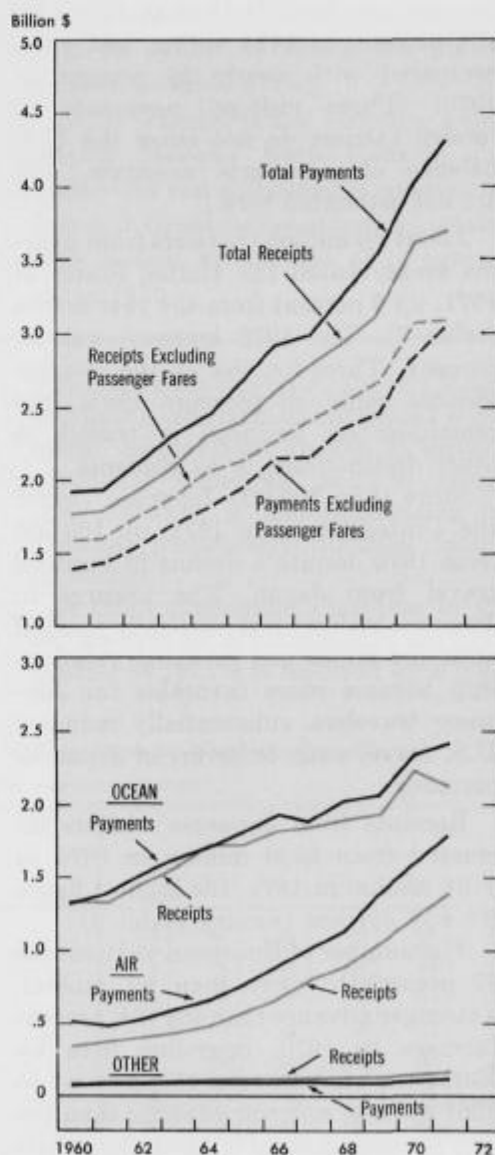
Foreign visitors to the United States spent almost \$2.5 billion here last year (table 1, line 20 and table 6) and those coming from overseas paid \$425 million to U.S. transoceanic carriers for passage to and from the United States (table 1, line 21). The \$2.9 billion of receipts from foreign visitors was 7 percent more than the 1970 total; from 1969 to 1970, the receipts total increased 14 percent. Sluggish economic activity in countries which account for the major share of visitors to the United

States may have been a factor in the slowdown. Toward yearend, spending by foreign visitors speeded up, probably reflecting the revaluation of many currencies against the dollar, which in effect reduced the cost of foreigners' visits to this country.

Canadians account for more than one-third of total visitors' spending in the United States. Receipts from Canada last year totaled \$927 million, up 4½ percent compared with an 8½

CHART 6

U.S. Payments and Receipts for Passenger Fares and Other Transportation



NOTE.—Totals consist of passenger fares, freight transportation charges, charter hire, and carriers' port expenditures.

percent increase in 1970. Receipts from Mexico amounted to about \$565 million, an increase of 3½ percent compared with a 2½ percent gain in 1970.

Overseas visitors spent \$965 million here in 1971. This represented an increase of 8½ percent, far below the 1970 increase of nearly 25 percent. There was some slowdown evident in the growth of receipts from visitors from all major overseas areas, although there were exceptions to the pattern in the case of spending by visitors from certain countries—notably France and the United Kingdom. U.S. carriers' receipts from carrying overseas visitors to and from this country also increased less strongly in 1971 than in 1970—by 12½ percent, to \$425 million last year, compared with nearly 25 percent in 1970. (Those visitors' payments to foreign carriers do not enter the U.S. balance of payments accounts, and are not estimated here.)

About 2½ million travelers from overseas areas visited the United States in 1971, up 9 percent from the year before (table 7). The 1970 increase was 14 percent. Three-fourths of the overseas visitors came on pleasure visits, the remainder on business, in transit to other destinations, or as students.

More than 300,000 Japanese visited the United States in 1971, up 100,000 from 1970 despite a decline in business travel from Japan. The upsurge in Japanese visitors was especially marked after the dollar-yen exchange relationship became more favorable for Japanese travelers, substantially reducing U.S. travel costs in terms of Japanese currency.

Receipts from Japanese visitors increased from \$100 million in 1970 to \$134 million in 1971, the highest figure for any overseas country (table 6).

The number of European visitors rose 13 percent to more than 1.1 million, a stronger advance than the 10½ percent increase in 1970. Spending here by European visitors rose 15½ percent to \$367 million, a slower advance than the 20½ percent increase in 1970. Residents of the United Kingdom accounted for about 30 percent of all European visitors to the United States but their

average outlay here is relatively low. U.S. receipts from U.K. visitors totaled \$67 million, up nearly one-third from 1970 but nevertheless only 18 percent of the European total. Visitors from Germany, on the other hand, accounted for 18 percent of all European visitors but for 22 percent of receipts, or \$79 million, an increase of 18 percent over 1970. French visitors spent \$40 million, and Italian visitors \$33 million, increases of 23 and 14 percent, respectively.

International Passenger Fare and Other Transportation Transactions

The international transportation accounts include payments and receipts for ocean and air movement of goods and travelers (passenger fares) between the United States and foreign countries, and U.S. receipts in these accounts also include foreigners' payments to U.S. carriers for transporting goods and travelers between foreign points; other items in the transportation accounts are the port expenditures of foreign ocean and air carriers in U.S. ports and of U.S. carriers in foreign ports; international payments and receipts for ship charter; transactions with Canada and Mexico for rail and pipeline opera-

Table 8.—International Passenger Fares and Transportation Transactions, 1967–71

(Millions of dollars)

Type of transportation	1967	1968	1969	1970	1971
Total payments	2,994	3,258	3,547	4,034	4,303
Ocean passenger fare.....	195	190	215	245	236
Other ocean transportation.....	1,684	1,836	1,850	2,108	2,178
Import freight.....	1,164	1,269	1,281	1,420	1,550
Port expenditures.....	271	289	264	312	288
Charter hire.....	249	278	305	376	340
Air passenger fare.....	635	695	865	970	1,028
Other air transportation.....	385	441	520	613	755
Import freight.....	58	78	113	117	175
Port expenditures.....	327	363	407	496	580
Other.....	95	96	97	98	106
Total receipts	2,792	2,949	3,112	3,627	3,708
Ocean passenger fare.....	8	7	8	3	1
Other ocean transportation.....	1,843	1,902	1,925	2,238	2,133
Freight.....	674	690	644	813	745
Port expenditures.....	1,162	1,206	1,270	1,394	1,350
Other.....	7	6	11	31	38
Air passenger fare.....	363	405	443	541	615
Other air transportation.....	457	502	601	695	792
Freight.....	126	127	143	187	202
Port expenditures.....	331	375	458	508	590
Other.....	128	133	135	150	167
Net payments	202	309	435	407	595

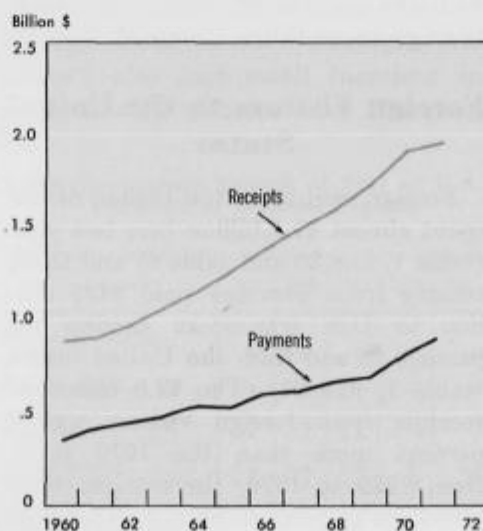
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

tions; and Great Lakes international shipping activities.

U.S. residents paid a total of about \$4.3 billion to foreigners in international transportation transactions in 1971, 7 percent more than in 1970 (table 1, lines 3 and 4, and table 8). Of this amount, approximately \$1.3 billion was U.S. travelers' transocean passenger fares. U.S. receipts from transportation transactions last year were about \$3.7 billion, only 3 percent above the 1970 total (table 1, lines 10 and 11, and table 8). Of this amount, about \$2.0 billion represented port expenses of foreign air, ocean, and Great Lakes operators in the United States, 5 percent more than 1970. Passenger fare receipts (almost wholly for air travel) increased 13 percent but there were declines in receipts from carrying ocean freight and from foreign ocean carriers' port expenditures, probably because of work stoppages at U.S. ports. The net U.S. payment for all international transportation transactions was \$595 million in 1971 compared with \$407 million in 1970 (table 8). The net deficit on passenger fares declined slightly, from \$671 million in 1970 to \$648 million in 1971, but the net U.S.

CHART 7

U.S. Payments and Receipts for Carriers' Port Expenditures



U.S. Department of Commerce, Bureau of Economic Analysis

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surplus on other transportation transactions dropped to only \$53 million in 1971 from \$264 million in 1970.

Payments

Of the \$1,264 million in passenger fares paid to foreign sea and air carriers by Americans in 1971, \$1,028 million was for air travel and the remainder largely for cruise trips. Regular transoceanic passenger service continued to shrink last year, with further concentration of shipping services on the cruise trade.

Total freight payments to foreign ship and air operators moving U.S. imports rose \$90 million to about \$1.7 billion in 1971, despite the disruption caused by dock strikes here. Payments to foreign air carriers for freight transportation reached a new peak of \$175 million. Higher rates applicable to ocean and air freight, as well as a small increase in the volume of higher value cargo shipped on foreign carriers, accounted for most of the rise.

American operated ocean carriers' port expenses abroad declined to \$288 million, 8 percent below their 1970 high. This drop was probably due to the effects of U.S. dock strikes. U.S. air carriers' port expenses abroad, primarily associated with transportation of passengers, rose 17 percent in 1971 to \$580 million. This was somewhat slower than the rate of increase in 1970.

Receipts

U.S. receipts from ocean transportation last year amounted to \$2.1 billion, 5 percent less than in 1970. Here, too, the decline was due primarily to dock strike disruptions. The total includes about \$750 million earned carrying U.S. exports as well as freight between foreign countries, \$1.4 billion in foreign carriers' port expenditures here, and about \$40 million from other sources. While American operated ocean tonnage has changed little in recent years, average freight rates, especially on liner services, have continued to rise. Higher handling charges

continued to boost foreign carriers' port expenditures here.

U.S. receipts from air transportation and related services totaled \$1.4 billion in 1971. Earnings from airline passenger fares, including \$190 million for fares of foreigners carried between foreign destinations, totaled \$615 million, 14 percent more than in 1970. Foreign airlines' port expenses in the United States, mostly connected with passenger traffic, rose 16 percent to \$590 million. This increase reflected both the handling of a greater volume of air travelers, American and foreign, and higher operating costs for services, advertising, and aircraft service. Air freight on U.S. exports and on shipments between foreign points earned \$202 million for U.S. airlines in 1971, continuing the steady uptrend in this service.

Other transportation earnings, representing receipts from Canada and Mexico for rail and pipeline transportation and Great Lakes shipping, totaled \$168 million, an increase of 12 percent above 1970.

(Continued from page 5)

The effect of change in the civilian population is subdivided into the effect of actual change in the number of people in the specified age-sex group and the effect of change in the armed forces (for a reduction in the armed forces is an addition to the civilian population).

Table 5 shows that actual population growth was a major factor in the growth of the labor force aged 25 and over, while the reduction in the armed forces had its major impact in the 20-24 year age bracket; the number of 16- to 19-year-olds in the armed forces changed very little over the year. Increased participation rates accounted for large shares of the labor force growth among teenagers and among women in the 20-24 age group. Increased participation added appreciably to labor force growth among older women but was nowhere near as important a factor as population growth. For men aged 25 and over, the downtrend of participation partly offset the effect of population growth.

Payroll employment

The estimated number of workers on nonfarm payrolls, which is calculated quite separately from the overall labor force estimates, also shows considerable strengthening in the demand for labor over the past year. A small decline in payroll employment in the third quarter of 1971 has been followed now by three quarters of strong increase (table 6).

The large over-the-year gain of 1.8 million jobs is due both to continued widespread employment growth in service-producing industries and to recent strong growth in goods-producing industries, particularly durables manufacturing.

A small employment increase in the service-producing industries in the third quarter of 1971 was followed by a good

Table 6.—Change in the Number of Employees on Nonfarm Payrolls¹

(Thousands of persons, seasonally adjusted)

	1971				1972	
	I	II	III	IV	I	II
Total.....	314	223	-37	387	755	672
Goods-producing industries.....	-38	-5	-167	37	178	177
Mining.....	0	-2	-14	-66	63	-12
Construction.....	-40	27	-39	53	-0	-33
Manufacturing.....	10	-30	-115	41	118	221
Durable.....	42	-31	-71	15	76	170
Non-durable.....	-32	-0	-43	26	40	42
Service-producing industries.....	346	228	130	350	575	495
Transportation and public utilities.....	27	-10	-58	-8	50	33
Finance, insurance and real estate.....	32	37	22	38	32	33
Services.....	68	68	78	100	126	134
Trade.....	124	70	88	78	100	102
Federal government.....	1	-4	-2	15	1	-15
State and local government.....	94	84	-3	135	107	145

1. Computed from quarterly averages. Components may not add to totals because of rounding.

Source: Bureau of Labor Statistics.